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April 20, 2004

Public Information Room
Office of the Comptroller of the Currency
250 E Street, S.W.
Mailstop 1-5
Washington, D.C. 20219
Docket Number 04-05

Ms. Jennifer J. Johnson
Secretary, Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551
Docket No. R-1180

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
Docket Number 2003-67

Attention: Comment regarding the Economic Growth and Regulatory Paperwork Reduction Act of 1996

Dear Sir/Madam:

The California Reinvestment Coalition (CRC) is sending this comment in response to the Notice of Regulatory Review as required by the Economic Growth and Regulatory Paperwork Reduction Act (EGRPRA) of 1996. In response to the second series, "Consumer Protection: Lending--Related Rules," we respectfully request that the federal banking agencies retain their regulations concerning Fair Housing, Equal Credit Opportunity Act (ECOA), Home Mortgage Disclosure Act (HMDA), Truth in Lending Act (TILA) and Unfair or Deceptive Acts or Practices.

The California Reinvestment Committee is a coalition of more than 200 nonprofit community organizations who seek to increase access to bank services, loans and investments for California's low-income communities and communities of color. CRC efforts include research on the financial services industry, technical assistance to local communities, and creation of new financial products. CRC has negotiated community commitments from the major California financial institutions.

CRC supports expanding data reporting requirements that will assist in achieving the goals of these fair lending statutes and substantially benefit consumers with little regulatory burden. Under EGRPA, the federal agencies must identify "outdated" regulations. The incomplete data collection under HMDA and ECOA is outdated and frustrates the purpose of these statutes to prevent discrimination. While increasing data reporting requirements, the federal agencies must not limit the consumer protections currently available under these regulations. Any streamlining of these protections would interfere with the agencies' ability to fulfill their statutory obligations.

Home Mortgage Disclosure Act

The regulators should end the exemptions of certain lenders from HMDA and improve the existing data. Currently, small lenders (with assets under \$33 million) and lenders with offices in non-metropolitan areas are exempt from HMDA data reporting requirements. Data for rural areas is also incomplete, particularly information on the census tract location of loans. If banks and thrifts have assets under \$250 million dollars (or are part of holding companies under \$1 billion dollars), they do not have to report the census tract location for loans in metropolitan areas in which they do not have any branch offices nor do they have to report the census tract location for loans rural, non-metropolitan areas. In addition, demographic information on the race, income level, and gender of borrowers is missing from loans that lenders purchase.

Technology has improved to such an extent that even small lenders would be confronted with minimal burden in collecting HMDA data. Also, all lenders would be able to readily collect additional data items. Overall, the benefits of expanded HMDA data requirements would greatly outweigh the burdens and would be true to HMDA's statutory purpose of assessing the extent to which credit needs are met.

Equal Credit Opportunity Act

The total number of small business loans increased 24 percent from 2001 to 2002. However, despite the overall increase, the number of small business loans made to businesses with revenue under \$1 million continues to plummet. Lenders issued about 31 percent of their loans to businesses with revenues under \$1 million in 2002. This is a substantial decrease from 40 percent in 2001 and 60 percent in 1999. Similarly, lending to businesses in low- and moderate-income census tracts remains stagnant as the percent of loans made to businesses in these communities either decreased or remained the same over the last few years. CRC believes that just like improvements to HMDA, enhancements to ECOA that allows lenders to collect demographic data will expand lending to traditionally underserved communities and borrowers.

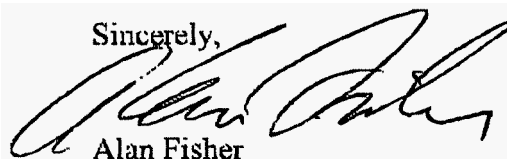
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In Conclusion

Finally, in 2001, the Federal Reserve Board **made** valuable improvements to their **regulation** implementing the Home Ownership and Equity Protection Act (HIOEPA), which amended TILA. **Among** other benefits, the changes applied HIOEPA's protections to more subprime loans, including most loans **with** single **premium** credit insurance. Since **abusive lending** continues to increase, the federal agencies **must** preserve the changes to HIOEPA. The regulatory agencies must also preserve the critical right of rescission under TILA. This **right** empowers borrowers at **the closing** table, enabling **them** to bargain with lenders and eliminate **onerous terms and conditions** in their loans. The right of **rescission** provides vital protection in the event that a **borrower** desires to cancel an abusive loan up to three **days** after closing.

Likewise, the agencies must not **weaken** HMDA, *ECOR*, TILA, or protections in regulations implementing the Fair **Housing and Unfair and Deceptive Practices Acts**. Data disclosure under these **laws** **must** become more **comprehensive** in order to identify and uproot discrimination.

Sincerely,



Alan Fisher
Executive Director

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cc: John Taylor, National Community Reinvestment Coalition